

**MINUTES OF THE  
FIX MY STREETS FINANCING WORKING GROUP**

**City Hall, 1300 Perdido Street, New Orleans, LA 70124**

**Wednesday, June 29, 2016**

**1:00 PM**

Board Members Present:	Dr. Norma Mattei James Amdal Walter Brooks Aaron Clark-Rizzio Todd James Wayne Neveu Nadine Ramsey Eric Songy Dr. Shawn Wilson Freddy Yoder	Chair UNO Transportation & Development Regional Planning Commission Hon. Jason R. Williams Mathes Brierre Architects National Assoc. of Bond Lawyer Councilmember District C Bocage Neighborhood Assoc. LADOTD Durr Heavy Construction
Board Members Absent:	Damon Burns Robert Lupo Barbara Woolfolk	Munivestor Lupo Enterprises Villa Sites Neighborhood Assoc.
Others Present:	Joseph Becker Ryan Berni Dani Galloway Cedric Grant Hon. Stephanie Hilferty Mark Jernigan	Sewerage & Water Board N.O. City of New Orleans City of New Orleans Executive Director, SWBNO Louisiana House of Representatives Department of Public Works

Agenda Item I. Call to Order. Dr. Norma Jean Mattei recognized a quorum and called the meeting to order at 1:00 p.m.

Agenda Item II. Roll Call. Dr. Mattei noted the board members present. Ryan Berni recaps the last three meetings. He discussed how far the group has come, looked at the BGR sources of tax revenues and where they are assigned and rededication towards streets and other projects.

Agenda Item III. A. Alternative Funding Mechanisms. Dr. Eric Kalivoda, Deputy Secretary, Department of Transportation and Development (DOTD), discussed four alternative funding mechanisms for future infrastructure and street projects: Public private partnerships (PPPs or 3Ps), infrastructure bank, tax increment financing (TIF) districts and the road transfer program.

PPPs operate when the private sector builds infrastructure then recovers cost plus profit through fees (i.e. tolls, gov't payments, parking charges, etc.) The state legislature gave authority to local

governments to form toll authorities in 1997 (Act 1017). Dr. Kalivoda expressed that there is little opportunity for tolls on city streets.

The Louisiana Transportation Authority (LTA) was established within DOTD as an independent authority. Their Louisiana Highway 1 Project at South Golden Meadow was partly financed with toll revenue bonds. The State legislature also passed PPP legislation in 2006, which allows the LTA to solicit proposals from private partners as well as accept unsolicited PPP proposals from other companies. This legislation amended the law to allow for DOTD to receive solicited PPP proposals.

Dr. Kalivoda defined infrastructure banks as public banks that loan money to public entities for infrastructure projects. These banks have low borrowing costs and low interest rates. The borrower must have a revenue stream to repay the loan. Infrastructure banks can be capitalized at \$2.1 million annually if oil prices rebound to approx. \$70/ barrel (Act 275). The idea is to help companies pursue infrastructure projects that they might not have pursued at all. Louisiana's infrastructure bank was created in 2015.

Tax increment financing (TIF) occurs when growth in property tax and/or sales tax revenues within a certain area is used to pay for infrastructure improvements. Infrastructure could be financed by PPP or by government. Dr. Kalivoda explained that all or a portion of growth in property tax and/or sales can be dedicated to repay private sector or public loans. TIFs are applicable where infrastructure improvements are expected to generate new development or redevelopment. For example, road improvements, sewer line extensions and the shopping center near the Louisiana Avenue Interchange were all funded through a TIF.

Road Transfer Program is a voluntary DOTD program to transfer state roads to local governments. Roads are repaired prior to transfer and the local government is compensated for 40 years of routine and capital maintenance. He explained that compensation can be used on any public road, bridge, or transit project selected by the local government.

Agenda Item III. B. Public-Private Partnerships. John Speed, Senior P3 Advisor, AECOM, elaborated more on public-private partnerships. He described it as "a delivery method that brings the public and private sector together to share the risk and rewards of delivering and/or maintaining public infrastructure assets." He emphasized that successful P3 projects deliver the public enhanced value for investment. The projects must meet all of the performance requirements at a lower life-cycle cost than other delivery methods.

Mr. Speed described P3s as a long-term contract between owner and private consortium. The public agency retains ownership and controls quality and performance through payments, penalties and/or incentives- a contractual payment mechanism. Private consortium assigns the responsibilities to design, build, finance, operate and/or maintain (DBFOM). Minimum delivery, performance and quality requirements are set at the beginning. Risks are assigned to the party best able to handle the risk.

Mr. Speed also gave examples of a traditional design-bid-build and a typical P3 contracting model. He further discussed how a P3 agreement might look in New Orleans and gave considerations for P3 projects. He concluded his discussion with common benefits and challenges with P3 agreements.

Agenda Item III. C. State of Infrastructure Finance Task Force. Shawn Wilson, Secretary, Louisiana DOTD, updated the group on the Infrastructure Transportation Finance Task Force.

Governor John Bel Edwards has charged the group with identifying a strategic, actionable plan to invest in maintaining and upgrading the state's infrastructure and transportation system. The task force has six months to review the state's infrastructure and transportation plans and reports and make recommendations on how to best invest in critical infrastructure projects throughout the state.

Agenda Item III. D. Paving Liens. Beverly Gariepy, Deputy Director, City of New Orleans Finance Department discussed the concept of paving liens. She described it as enabling legislation and not a taxing district. Paving liens are an assessment based upon a specific and defined improvement benefitting an abutting property. Legislation requires that liens be publicly bid and awarded, they are due within 30 days but can be assessed over time, the lien will appear on tax bills, the lien is prime to all except taxes, Dept. of Treasury will be responsible for collection and current inscription of lien, and the interest rate and penalties are applied per state statute.

She explained that financing a lien requires assessment certificates that mature over no more than 10 years and are payable from front-foot assessments levied against property which abuts the facilities being improved. The debt is secured by front-foot assessments and further by a lien on such property. The lien precedes even prior recorded mortgage.

Agenda Item IV. Other Business.

Agenda Item V. Public Comment. There were no questions raised from anyone in the audience.

Agenda VI. Adjournment. Dr. Mattei called for a motion to adjourn the meeting. On a motion duly made, seconded and unanimously carried, the Board voted to adjourn the meeting at 3:10 pm.